

IN THE COURT OF COMMON PLEAS IN THE STATE OF DELAWARE
IN AND FOR KENT COUNTY

GENERAL MOTORS ACCEPTANCE CORP.,)	
)	C.A. No. 04-02-0008
Plaintiff,)	
)	
vs.)	
)	
ALTON HILL,)	
)	
Defendant.)	

Submitted: August 29, 2005
Decided: September 15, 2005

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DECISION AFTER TRIAL

This matter consists of a debt action filed by the General Motors Acceptance Corp. ("Plaintiff") against Alton Hill ("Defendant") for amounts due to it as a result of the breach of a lease agreement for a motor vehicle. The issues regarding the amount of the damages and the fact that the lease agreement was breached have been stipulated. The only issue remaining for the Court to decide is whether the defendant was a co-signer on the lease agreement. As a co-signer (or co-lessee) of the lease, he would be liable for any amount due under the lease for the breach along with the primary party (or lessee) for which he co-signed. *W.T. Rawleigh Co. v. Warrington*, 199 A. 666, 668 (Del. 1938).

A trial for this matter was held on July 25, 2005, and the Court reserved decision. This is the Court's decision after trial and argument. I find for the Plaintiff and against the Defendant and award damages in the amount of \$16,270.10, plus post judgment interest at the legal rate and court costs.

DISCUSSION

This matter started as a result of the Defendant's desire to purchase a dump truck in order to start a paving business. He was unable to obtain financing to purchase a truck on his own. Therefore, he agreed to commence the business with a Mr. Gerald Franklin ("Franklin") as his partner. The Defendant thought that the two of them together could obtain the financing to purchase a dump truck and start the business.

Franklin contacted the Barlow car and truck dealership ("Barlow") in New Jersey to obtain leases for two motor vehicles. These vehicles were the dump truck that he and the Defendant had discussed leasing and a new GMC Yukon, which Franklin wanted as his personal "business" vehicle. The vehicles were to be leased by a corporation Franklin owned called Transtate Jet Service Corp. (hereinafter referred to as Transtate Jet). Franklin soon discovered that neither he nor Transtate Jet could lease the vehicles on their own as their credit was not approved. It was suggested to Franklin by the dealer that he get his business partner to co-sign the leases.

Next, Franklin got the Defendant in touch with Barlow so that the Defendant could complete the paperwork necessary to get the lease for the dump truck. He also got the Defendant to execute a corporate resolution for Transtate Jet, as its Vice-President,

for the lease of a vehicle from the General Motors Leasing Corporation.¹ Finally, Franklin obtained the Defendant's half of the money that was needed as the deposit to finalize the lease arrangement for the dump truck with the dealership.

The Defendant met with a sales representative for Barlow on or about July 13, 2002, at a restaurant in New Castle County, Delaware. The sales representative presented two GMAC leases to the Defendant for his signature. One lease was for the dump truck that was needed to start the paving business. The other lease was for the GMC Yukon that Franklin wanted as his personal "business" vehicle. Transtate Jet was listed as the lessee on this lease with the Defendant as the co-lessee. Barlow Buick Pontiac GMC Truck was identified as the lessor.² Franklin was not mentioned anywhere in the lease.

Although the Defendant claims that he did not sign the lease for the Yukon and if he did, he had no knowledge that he was signing it, I am convinced that for some reason, whether it was as part of his deal with Franklin or whether he thought he was helping Franklin and the business they were starting together, he knowingly executed the lease for the Yukon as the "co-lessee" for the agreement.^{3,4} Needless to say, in his eagerness to get a dump truck and start his new paving business, the Defendant lost out. While the check Franklin gave to Barlow as a deposit for the lease for the Yukon was good, the check he gave to the dealership for the dump truck bounced. Therefore, the deal for the

¹ The Defendant testified that he was not the Vice-President or even affiliated with Transtate Jet at the time he executed the corporate resolution as Transtate Jet's Vice-President. However, Mr. Franklin had told him that the resolution would make it easier for them to get the dump truck they needed to start their paving business.

² The lease also indicated that it would be assigned to the Plaintiff.

³ The Defendant actually signed the lease twice, as the "lessee" and as the "co-lessee", although, as mentioned before, the document lists Transtate Jet as the actual "lessee".

⁴ There was also an issue as to whether the Defendant knew he was executing a lease for the Yukon as the VIN number was difficult to read on the original lease document. However, the real issue is whether the defendant executed the lease knowing it was for the Yukon and I am convinced that he did.

dump truck fell through. However, Franklin did get to pick up his new Yukon. Unfortunately, he and Transtate Jet failed to make the lease payments for it and the vehicle was repossessed. The Plaintiff has suffered damages in the amount of \$16,270.10, as a result of the breach of the lease for the Yukon for which the Defendant is now liable as the co-lessee (or co-signer) on the lease. *Id.*

CONCLUSION

As a result of the Court's finding of fact, which is based on the entire record, including all direct and circumstantial evidence and the reasonable references therefrom, and the Court's above-referenced conclusions of law, the Court awards judgment for Plaintiff General Motors Acceptance Corp. against Defendant Alton Hill as follows:

- (a) Damages in the amount of \$16,270.10;
- (b) Post judgment interest at the legal rate; and
- (c) Court costs.

IT IS SO ORDERED THIS 15TH DAY OF SEPTEMBER, 2005.

CHARLES W. WELCH
JUDGE